

DISPATCH		CLASSIFICATION SECRET/TOP SECRET	DISPATCH SYMBOL AND NO. HMMA-17999 -1930
TO : Chief, WH Division	INFO :	HEADQUARTERS FILE NO. 50-6-74/1	
FROM : Chief of Station, Mexico City	SUBJECT : - LIEMPTY Project Renewal	DATE 31 October 1961	
ACTION REQUIRED - Renewal of Project.		RE: "43-3" - [CHECK "X" ONE]	MARKED FOR INDEXING
		X	NO INDEXING REQUIRED
			INDEXING CAN BE JUDGED BY QUALIFIED HQ. DESK ONLY
REFERENCE(S)			

Attached are the requisite number of copies of the Request for Renewal.

of Project LIEMPTY.

Willard C. Curtis
Willard C. CURTIS

30 October 1961

RECORDS OFFICER STAMP

The following action is
authorized: *de Ruyck*

Signed: *Gloria Palmer*
R.O. #650 - Unit *LH/R*

Distribution:

- (3) WHD (with five copies of attachment): If destruction, cite
2 - Files (with one copy of attachment) reasons and coordinate
if appropriate.

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FORM 10-57 (40) 53	USE PREVIOUS EDITION. REPLACES FORMS SI-28, SI-28A AND SI-29 WHICH ARE OBSOLETE.	CLASSIFICATION SECRET/TOP SECRET	PAGE NO.
		<input type="checkbox"/> CONTINUED	

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MEMORANDUM FOR: Chief of Operations, DD/P
SUBJECT : LIEMPTY (Renewal)
WH = Mexico City

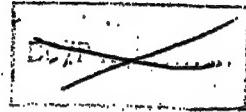
1. The attached project, originating in WH Division, is presented for renewal for the period 1 December 1961 through 30 November 1962. This project provides for physical and photographic surveillance operations in support of Mexico City Station operations, particularly those directed against Soviet personnel and installations.

2. Authority is requested to obligate \$49,500 from the DD/P-WH Division budget: \$29,500 in fiscal year 1962, and \$20,000 in fiscal year 1963 subject to the availability of funds. This estimate includes \$39,500 for salaries of three contract agents and eleven indigenous agents; \$3,500 for operational expenses, including QP vehicle operation and maintenance, new safehouse procurement, post office boxes, purchase of information, and rental of vehicles; \$1,000 for repair, maintenance, and replacement of photographic equipment; and \$5,500 for maintenance of three safehouses.

3. The attached request for renewal discusses project activities in the past period. Contract Agent Oliver G. SCANTLING (p), serving as an investigator, has continued to follow up on leads developed from other operations; has been the primary source of information on residences of Soviet Embassy personnel; has provided investigative information on several cases of CI interest; and has trained surveillance assets in Monterrey. He also handled the LIRIC 1 surveillance team during the time Contract Agent Simon D. CLACKETT (p) was absent from Mexico. The project segment under the direction of Contract Agent Raymond H. GERENDE (p) continued to collect operational information on the Soviet Embassy through photographic surveillance; and to provide operational support

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to the Station in the form of rental of safe-quarters, counter-surveillance, and procuring and servicing letter drops. The Division feels that both aspects of the project are worthwhile to the Station's activities. It considers that the project is now operating at optimum size and does not plan to expand. In the coming period efforts will be made to refine and better use the existing organizational arrangements.

4. Appropriate Special Staff elements recommend renewal of this project.

5. I recommend renewal of Project LIEMPTY as presented.

S. M. Hines
S. M. HINES
Chief, DDP/PG

Approved:

Richard Miller

COP-DD/P

18 JAN 1962

Date

Attachments:

Project Outline LIEMPTY
FI Memorandum

Staff Coordination:

For FI Staff -s/J. Baine
For CI Staff -s/F. Hughes
For CCG -s/J. Southard

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50-6-9411

MEMORANDUM FOR: Chief of Operations, DD/P

THROUGH: DDP/PG

SUBJECT: Project LIEMPTY

Foreign Intelligence Staff recommends approval of the
renewal of Project LIEMPTY.

DRB
W. LLOYD GEORGE
Chief
Foreign Intelligence

Attachment
Project

50-6-7411
02830

REF ID: A6512

21 November 1961

LIEEMPTY Project Renewal Request

1. It is requested that the LIEEMPTY Project be renewed for the period 1 December 1962 through 30 November 1963 for a total of \$49,500; \$29,500 for Fiscal Year 1962 and \$20,000 for Fiscal Year 1963. These amounts can be broken down as follows:

	FY 1962	FY 1963
Salaries	24,000	15,500
Transportation	1,100	900
Operational Expenses	3,900	3,100
Operational Equipment	500	500
Totals	29,500	20,000

2. It is not anticipated that any training will be required during the next project year.

3. Emergency recontact instructions for Raymond H. GERENDE and Oliver G. SCANTLING are on file at Headquarters.

4. This project is primarily a support asset and does not provide positive intelligence.

5. WH Division strongly recommends renewal of this project which covers some of the most valuable investigative and support assets available to Mexico City Station.

50-6-9411

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REVIEW OF PROJECT LIEMPTY

(For the Purpose of Project Renewal)

COVER SHEET

CRYPTONYM LIEMPTY

FIELD CASE OFFICER


Quinton N. OUSLER

STATION Mexico City

CHIEF OF STATION


Willard C. CURTIS

The attached project action is presented for approval for the period

1 December 1961 through 30 November 1962.

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Review of Project LIEMPTY
(For the Purpose of Project Renewal)

I. CURRENT OBJECTIVES AND PRODUCTION

A. Oliver G. SCANTLING Segment (discussed in relation to project objectives):

1. "To collect operational information pertaining to LIMERICK personnel and physical facilities." SCANTLING has continued (See the last two Project Reviews forwarded as attachments to HMMA-14093, 13 November 1959, and HMMA-15979, 18 November 1960) to provide worthwhile information pertaining to this objective.

a. During the past year SCANTLING has continued to be used to follow up leads produced by LIENVOY. For example, operational information recently indicated that the LIMERICK target was using the services of a Mexico City firm to repair safes. Through discreet investigation SCANTLING was able to identify the firm, its location and the name of the owner in the event that we later wished to make an approach to him or to exploit this information in another manner.

b. SCANTLING is still the Station's primary source for keeping current records on the residences of the many LIMERICK personnel in Mexico City. This is accomplished in several ways; the most important being SCANTLING's follow up of all LIENVOY leads which indicate the LIMERICK people are interested in renting a given piece of property. (See previous project renewal request for additional details).

2. "To collect operational information pertaining to other targets of opportunity, foreign official installations and personnel of intelligence interest operating in Mexico." SCANTLING is very useful for collecting information on other Station targets:

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a. On the basis of a request to the Station from the ODACID Chief, SCANTLING was sent to Puebla to be an eyewitness to the 4 June 1961 Catholic inspired anti-CASTRO demonstrations. Not only did SCANTLING obtain the desired information, and samples of many of the leaflets used, but he prepared his report for the Station in time for the COS to give the ODACID Chief a briefing at 1000 hrs., 5 June 1961. SCANTLING does an excellent job on this type of assignment due principally to his ability to observe and report objectively.

b. SCANTLING was instrumental in establishing that Fernando LLANES Cavero and his wife were living at a local Mexico City address. This case has been of considerable counterespionage interest to Headquarters.

c. SCANTLING has continued his contributions to the Paul Frederick KIRSCHHOFF case by periodic interviews with the subject's neighbors and associates.

3. "To exploit operational leads through recruitments, debriefings, and surveillances." SCANTLING has contributed to this objective both directly and indirectly as will be noted by the examples listed below:

a. SCANTLING devoted a lot of time to the surveillance and attempted recruitment of Abel ARTEAGA, a Mexican national employed at the Cuban Embassy. SCANTLING talked with ARTEAGA several times and undoubtedly was primarily responsible for the later success of the recruitment made by another Station agent.

b. Some additional time was devoted to the Cesar GONZALEZ Sanchez case in February 1961 when SCANTLING determined that GONZALEZ was still in Mexico City. See the last renewal for additional details on this case.

c. In connection with the above objective SCANTLING has performed numerous pretext and neighborhood investigations for the Station. SCANTLING also does most of the local investigations requested by ODACID and other ODYOK components.

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d. SCANTLING spent six weeks during July and August of this year giving tradecraft and surveillance training to LIPAILS 5 and 7 from Monterrey. Although this is not a direct contribution to the above objective, it is considered sufficiently related to mention here.

4. In addition to his contributions to the above objectives, SCANTLING is used for miscellaneous support requirements from the Station. For example, SCANTLING is now handling LIEMBROIL-2 and will continue to do so until the return of LIMOTOR-14 in June 1962. Also, during the past project year, SCANTLING handled the LIRICE surveillance team until July 1961 when Simon D. CLACKETT (ps) returned to Mexico City. SCANTLING is also used to spot and rent safe houses and apartments for other Station operations.

5. As stated in the preceeding Requests for Project Renewal, although SCANTLING's LIEMPTY Project objectives can never be completely fulfilled, it is the Station's opinion that SCANTLING has made important and valuable contributions to LIEMPTY Project objectives specifically and to other Station activities in general. SCANTLING's production, measured against monetary expenditures, case officer time and other intangible factors, unquestionably justifies his continuation as an integral part of Project LIEMPTY.

B. Raymond H. GERENDE Segment (discussed in relation to project objectives):

1. "To collect operational information pertaining to LIMERICK personnel and physical facilities through use of photographic base houses." Three photographic bases, LIMITED, LILYRIC and LICALLA, contribute to this objective. To avoid repetition, the Station is omitting the usual description of the functions of these three bases and how they contribute to the above objective. There has been no change in the coverage as described in the 1960 Request for Project Renewal.

2. "To collect operational information and identify operational leads pertaining to Station targets of opportunity." The LIENTRAP operation, handled by GERENDE, is still the major contributor to this

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objective. In addition to performing numerous photographic assignments in support of other Station operations, LIENTRAP devoted nearly four months, on a fulltime basis, to coverage of the LIERODE operation. For several weeks the entire "take" from the LIERODE target was recorded from the LIENTRAP vehicle. Later, the LIENTRAP agents operated the LIERODE technical gear from the initial LIERODE stationary base.

3. "To provide operational support to Station operations, i.e., rent hotel rooms and apartments, and conduct counter-surveillances." GERENDE is used frequently to rent hotel rooms and apartments for other Station operations and activities. GERENDE's comprehensive area knowledge and personal operational capabilities combine to make him an extremely valuable Station asset for such support activities. GERENDE also procures and services post office box letter drops for the many Station operations requiring them.

4. The quality and quantity of operational information produced by the photographic bases and other activities under GERENDE's control and supervision is considered worthwhile. The Station concludes, therefore, that this segment of the LIEMPTY Project should be continued.

C. Relationship to Related Mission Directive Objectives:

As stated in the previous project renewal, it can readily be noted that Project LIEMPTY has provided support to many Station operations and in this manner has been a contributing factor to the furtherance of the Related Mission Directive. The project has not produced any positive intelligence nor has it been intended that it should do so. The project's sole purpose is to provide a mechanism for the development of operational information in support of other Station operations.

II. CHANGES

There have been no changes in the LIEMPTY Project during the past project year except that SCANTLING relinquished control of the LIRICE (formerly LIJERSEY) surveillance team in July 1961 in accordance with previous plans.

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III. EFFECTIVENESS

There has been no change in Project LIEMPTY which would alter the validity of the remarks made in Section III of last year's project renewal request.

IV. PROBLEMS

The security problem in connection with the LICALLA operation, which was described in last year's renewal request, is still present but has not caused any known difficulty. At Headquarters suggestion in HMMW-9736, the LICALLA base was reactivated on 29 May 1961. The base operator has been cautioned to be ever alert for any unusual incidents which might indicate that the base has been compromised. This is the only problem experienced by the LIEMPTY Project during the past project year.

V. PLANS

The Station considers that the project is now operating at its optimum size and does not plan to expand it during the coming year. Rather, efforts will be devoted to refining and better utilizing the existing project organizational arrangements.

VI. COSTS

A. Past Project Year - Station finance records indicate that Project LIEMPTY expended \$21, 458.00 during Fiscal Year 1961 (1 December 1960 - 30 June 1961) and has thus far during Fiscal Year 1962 (through 30 September 1961) expended about \$11, 000.00. It is anticipated that about \$8, 000.00 will be expended during the last two months (October and November 1961) of the project year. This will make a total expenditure during the project year of about \$40, 500.00, or some \$12, 500.00 under the budget estimate of \$53, 000.00.

B. Ensuing Period - Of the total \$49, 500.00 budget, itemized below, \$29, 500.00 should be expended during the remainder of Fiscal Year 1962 and the balance, \$20, 000.00 should be expended during Fiscal Year 1963. Normal accounting procedures will be used for all expenditures.

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<u>AGENT</u>	<u>U.S. \$ PER ANNUM</u>
Raymond H. GERENDE	\$ 5,520.00
Oliver G. SCANTLING	5,000.00
Louise J. MACRINO (@ \$2.02 per hour)	1,500.00
LIEMPTY-4	2,200.00
LIEMPTY-5 (@ \$1.75 per hour)	1,000.00
LIEMPTY-6	3,000.00
LIEMPTY-7 (No Salary)	-0-
LIEMPTY-8	2,000.00
LIEMPTY-9	3,000.00
LIEMPTY-10	3,900.00
LIEMPTY-11	2,800.00
LIEMPTY-12	2,000.00
LIEMPTY-13	2,000.00
LIEMPTY-14	2,000.00
LIEMPTY-19	1,000.00
LIEMPTY-24 (No Salary)	-0-
Christmas Bonuses 1961	2,580.00
SUB-TOTAL	\$ 39,500.00

OPERATIONAL EXPENSES

Maintenance of MV-2279, 2284 and 2286.	\$ 2,000.00
Procurement of Safehouses, post office boxes and renting automobiles.	1,000.00
Purchase of information, identification documents, and bribes.	500.00
SUB-TOTAL	3,500.00

OPERATIONAL EQUIPMENT

Repair, maintenance and purchase of replacement photographic equipment.	\$ 1,000.00
SUB-TOTAL	1,000.00

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Rent, utilities and maintenance
of following safehouses:

*LIMITED	\$ 3,000.00
*LICALA	1,500.00
LILYRIC	1,000.00
SUB-TOTAL	<hr/> <u>5,500.00</u>
GRAND TOTAL	<hr/> <u>\$ 49,500.00</u>

*LIMITED and LICALLA rents are returned to the Station by LIMOUSINE and credited to Station miscellaneous receipts.

VII. EMERGENCY CONDITIONS

Please refer to last year's request for project renewal and HMMA-15982, 23 November 1960, and HMMA-15981, 23 November 1960.

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DD/P 1-20581

MEMORANDUM FOR: Chief of Operations, DD/P

SUBJECT : Project LIEMPTY (Renewal)

WH - Mexico City

1. The attached project, originating in WH Division, is presented for renewal for the period 1 December 1960 through 30 November 1961. The project provides for physical and photographic surveillance operations in support and exploitation of other Mexico City Station operations, particularly those targetted at Soviet personnel and installations.

2. Authority is requested to obligate \$53,000 from the DD/P-WH Division budget: \$31,900 in fiscal year 1961, and \$21,100 in fiscal year 1962, subject to the availability of funds. The amount includes \$38,000 compensation for two principal agents, one clerical support agent on an hourly basis, and eleven surveillance and support agents; \$7,000 operational expenses (safehouse procurement, post office boxes, rented automobiles, purchase of information, vehicle maintenance, and operational travel); \$2,500 replacement, repair and maintenance of photographic equipment; and \$5,500 basehouse rental, utilities, and maintenance.

3. The field's renewal request, supported by a covering memorandum of the Division, sets forth accomplishments of the project in the past year in terms of objectives and estimates effectiveness. It is noted that one principal agent, Simon D. CLACKETT (p), resigned in October 1960, and the four-man surveillance team previously handled by him will be transferred to project LITEMPO, consequently being omitted from LIEMPTY in this renewal. Three basehouses continue to be operated under the project: (a) LIMITED, which compiles daily logs on arrivals and departures from the LIMERICK installation, together with attendance lists of LIMERICK employees, and handles the radio dispatch of the LIEMBRACE surveillance team on LIMERICK personnel and targets

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of opportunity. This basehouse also provides photographic coverage, concentrated on visitors. (b) LILYRIC which provides clandestine photographs particularly of visitors to, as well as employees of, the LIMERICK installation, prepares weekly reports on LIMERICK employees and their wives, and reports on license numbers of all cars visiting the installation. (c) LICALLA, which concentrates on photographic coverage of LIMERICK employees and their families, as well as providing observation on the apparent positions and jobs of the target employees, and as well as personnel changes. Additional photographic coverage is provided by the mobile LIENTRAP vehicle. Principal agent Raymond H. GERENDE (p) continues to coordinate basehouse activities; principal agent Oliver G. SCANTLING (p) continues to be an independent asset used to follow-up and exploit operational information on target personnel and installations, to case various installations of interest, to acquire property, etc. SCANTLING has managed the surveillance team being transferred to LITEMPO in the interim following the resignation of CLACKETT. The Station notes that activities at the LICALLA basehouse were suspended in September 1960 as the result of the arrest of a knowledgeable TSD technician in another area and it is not known precisely when it will be possible to resume these operations. The Station believes that the GERENDE segment is now operating under optimum arrangements and SCANTLING will soon be relieved from his interim responsibility for the surveillance team being transferred to LITEMPO and can concentrate more on his investigative and casing activities. It is not planned in the coming year to expand project activities.

4. Appropriate Special Staff components concur in recommending renewal. FI Staff notes the Division's assurance that the transfer of the unilateral surveillance team to LITEMPO will not affect its independent status, and remarks that the current project review presents a clearer picture of the usefulness of the several segments than the previous one.

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5. I recommend renewal of Project LIEMPTY as presented.

S. M. Hines
S. M. HINES
Chief, DDP/PG

Approved:

Richard Hines

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3 FEB 1961

Date

Attachment:

Project Outline LIEMPTY
FI Memorandum

Staff Coordination:

For FI Staff -s/R. Bryant
For CI Staff -s/R. Brown
For CCG -s/F. Youngblood

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